

REDACTED FOR PUBLIC RELEASE



REVIEW OF THE TERRORIST SCREENING CENTER'S EFFORTS TO SUPPORT THE SECURE FLIGHT PROGRAM

U.S. Department of Justice
Office of the Inspector General
Audit Division

Audit Report 05-34
August 2005

REDACTED FOR PUBLIC RELEASE

REVIEW OF THE TERRORIST SCREENING CENTER'S EFFORTS TO SUPPORT THE SECURE FLIGHT PROGRAM

EXECUTIVE SUMMARY

The National Commission on Terrorist Attacks Upon the United States (9/11 Commission) recommended in its July 2004 final report that the Department of Homeland Security's (DHS) Transportation Security Administration (TSA) assume responsibility for screening commercial airline passengers and that in doing so the TSA use the information contained within the federal government's terrorist watch lists. The 9/11 Commission further recommended that air carriers be required to provide the TSA with the passenger information necessary to conduct such screening.

Shortly thereafter, Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004, which directed the DHS to "commence testing of an advanced passenger prescreening system that will allow the Department of Homeland Security to assume the performance of comparing passenger information . . . to the automatic selectee and no-fly lists, utilizing all appropriate records in the consolidated and integrated terrorist watchlist maintained by the Federal Government." In response to this directive, in August 2004 the TSA announced an initiative known as "Secure Flight."

The consolidated terrorist watch list (known as the Terrorist Screening Database, or the TSDB) that will be used in the Secure Flight screening process was developed by the Terrorist Screening Center (TSC). The TSC, established through Homeland Security Presidential Directive-6 on September 16, 2003, is a multi-agency effort administered by the Federal Bureau of Investigation (FBI) to consolidate the government's approach to terrorist screening.¹ The TSC operates a round-the-clock call center to field inquiries from state and local law enforcement, border inspectors, and government agents abroad who have screened the identity of an individual and received a hit against the consolidated watch list of known or suspected terrorists.

We conducted this review of the TSC's actions with regard to Secure Flight in response to House Report 109-072, which directed the Office of the Inspector General to evaluate the TSC's plan to support the Secure Flight program and to report to the House and Senate Appropriations Committees on the results of our review.

¹ In June 2005, the OIG reported on its review of the TSC's administration, operations, information systems, data reliability, and accomplishment of mission-critical functions. That report (*Review of the Terrorist Screening Center, Report Number 05-27*) contains detailed descriptions of the TSC's processes and functions.

Creation of Secure Flight

According to the TSA, the Secure Flight program improves previous airline passenger screening programs by consolidating functions now separately conducted by 65 air carriers transporting 1.8 million passengers on 30,000 flights each day that leave approximately 450 airports where security screening is required.²

Although the TSA originally planned to implement the Secure Flight program in April 2005, several delays have pushed its launch date for the initial phase (referred to as "pre-operational testing") to the second week of September 2005. During the initial phase, Secure Flight will involve a still undetermined number of air carriers, and the total number of passengers initially screened will be dependant upon the specific carriers involved. The Secure Flight program is expected to gradually increase the number of participating carriers, with full implementation currently scheduled for fiscal year (FY) 2007.

Coordinating Secure Flight Efforts

In October 2004, the TSA and the TSC jointly developed the general process for Secure Flight screening. In January 2005, the TSC asked for and received the assistance of a full-time TSA executive to work as the TSC Secure Flight Program Coordinator. However, it was not until February or March 2005 that the TSA and the TSC began to actively work together on the Secure Flight program. At that time, regularly scheduled, joint meetings with all key participants were initiated to define the roles of the supporting agencies and discuss the status of Secure Flight's development.³

² Beginning in the late 1990s, the Department of Transportation began using the Computer Assisted Passenger Prescreening System (CAPPS I) to screen air travelers and select individuals for enhanced security screening. Air carriers performed this screening in two ways: (1) by comparing domestic airline passenger manifest information, referred to as passenger name records, against certain aviation risk criteria known as the CAPPS I rules; and (2) by comparing passenger information against two of the federal government's watch lists: the no-fly list, which included names of individuals that were to be denied transport on commercial flights because they were deemed a threat to civil aviation; and the selectee list, which included names of individuals whom air carriers were required to "select" for additional screening prior to permitting them to board an aircraft. In March 2003, the TSA began developing the next phase of the CAPPS program (CAPPS II). However, after significant criticism of the program, the TSA cancelled CAPPS II in August 2004 and announced its new initiative - Secure Flight.

³ Aside from the TSA and the TSC, other key stakeholders include the Terrorist Screening Operations Unit (TSOU) in the FBI Counterterrorism Division, the DHS's Federal Air Marshal Service (FAMS), and the Department of Defense's North American Aerospace Defense Command (NORAD). The TSOU will coordinate any necessary law enforcement response to anticipated or realized encounters with individuals who are a match against a watch list record. The FAMS will monitor and resolve any on-board activity of flights in progress, while NORAD will monitor affected flights and take any necessary airspace actions.

TSA officials told us that they are satisfied with the TSC's support of the Secure Flight program and believe that the TSA and the TSC have a positive partnership. However, TSC officials believe that their ability to prepare for the implementation of Secure Flight has been hampered by the TSA's failure to make, communicate, and comply with key program and policy decisions in a timely manner, such as the launch date and volume of screening to be conducted during the initial implementation phases.

Planning for Operational Changes at the TSC

The TSC recognizes that the Secure Flight program will significantly increase TSC's call center activity. When Secure Flight becomes operational, the TSC will perform many of the same processes currently conducted for calls received from state and local law enforcement, border inspectors and agents, as well as government agents abroad. However, the TSC anticipates a significantly greater operational work load as a result of Secure Flight and an increased need for staff, space, and funding.

Organization

The TSC developed three sub-teams to ensure that it properly addressed all areas of support for the Secure Flight program – an operations team, an information technology (IT) team, and a policy/legal team. These teams meet on a weekly basis with the TSC Secure Flight Program Coordinator to discuss the status of their projects and to prioritize their work.

Funding

The TSC's total funding for FY 2005 is \$64.23 million – \$29 million in base funding and an additional \$35.2 million obtained through the FY 2005 Emergency Supplemental Appropriations Act. These additional funds were provided by Congress for Secure Flight and other unspecified TSC infrastructure improvements. In its FY 2006 budget request, the FBI again requested \$29 million in base funding for the TSC. However, in November 2004 the FBI requested an out-of-cycle budget enhancement of \$75 million for TSC improvements, preparations for Secure Flight, and other TSC initiatives, bringing the TSC's total funding request for FY 2006 to \$104 million.

Officials in the TSC Administration Branch stated that Secure Flight cannot operate without substantial modifications to the TSC's existing IT environment, including greater infrastructure as well as capability enhancements to the TSDB and the TSC's Encounter Management

Application (EMA).⁴ But the TSC could not provide the exact costs of modifications required to support Secure Flight because, according to the TSC, the organization had planned to make many improvements to its operations and information technology environment prior to Secure Flight. When Secure Flight was announced, the TSC considered the program's needs in determining and refining the necessary modifications to its databases and processes. TSC officials told us that they were unable to disentangle Secure Flight-prompted funding needs from those necessary for other planned changes to existing TSC systems and operations because Secure Flight enhancements were fully integrated with other anticipated modifications. The current immature state of the TSC's IT environment makes specifically identifying Secure Flight enhancements more complex because the TSC's systems continue to evolve. Our June 2005 report noted this immaturity and included 16 recommendations related to the TSC's IT systems, planning, and operations.

The Director of the TSC informed us that she agrees that the TSC needs to identify its Secure Flight funding needs separately from other TSC endeavors. Additionally, she acknowledged that because certain requirements of the TSC's overall systems, staffing, and procurements are paid by other federal agencies or divisions within the FBI, the TSC is unaware of how much the organization truly costs to run. The Director stated that she recognizes the importance of having designated budget staff to perform budget formulation, analysis, and execution, but the TSC does not currently possess the expertise to perform these functions.

However, as a result of our discussions with the Director of the TSC and her staff in July 2005 about the TSC's inability to determine the cost of implementing Secure Flight, the TSC informed us that it would make another attempt to estimate its Secure Flight costs. Subsequently, the TSC formulated a methodology to attempt to identify the percentage of the total call volume, customers, and staff at the TSC that were expected to be related to Secure Flight. These percentages were applied to budget categories to allocate the costs of each category and added to those costs directly and solely related to Secure Flight to estimate the overall cost of supporting the program.

According to this methodology, \$8,034,732, or 12.5 percent, of the TSC's \$64.23 million in funding for FY 2005 is in direct support of the Secure

⁴ EMA is the TSC's tool for recording the details of all incoming calls to its call center resulting from government encounters with individuals that appear to be a hit against a watch list record. Call center staff record the information they receive from the caller, the TSC determination of whether the individual is a match with a TSDB record, whether the caller was forwarded to law enforcement for further action, and the final disposition of the encounter.

REDACTED FOR PUBLIC RELEASE

Flight program. The TSC estimated that an additional \$13,256,696, or 20.6 percent of the total, will be used for indirect costs for the Secure Flight program.⁵ This amounts to a total of \$21,291,428, or 33.15 percent of the total funding for Secure Flight in FY 2005. For FY 2006, the TSC estimated that its expected expenditures directly related to Secure Flight will amount to \$11,417,869, or 11.6 percent of the budgeted resources. Indirect costs for Secure Flight in FY 2006 are expected to amount to \$26,099,699, or 26.4 percent of the total TSC planned spending for FY 2006. Therefore, according to the TSC, the total cost for Secure Flight (direct and indirect) in FY 2006 is projected to amount to 38 percent (\$37,517,568) of the total requested TSC budget.

SUMMARY OF FY 2005 AND FY 2006 TSC SPENDING PLAN

	FY 2005	FY 2006 ⁶
BUDGET		
Base	\$29,000,000	\$29,000,000
Supplemental	35,230,000	NA
Enhancement	NA	75,000,000
Total	\$64,230,000	\$104,000,000
SPENDING		
Direct Secure Flight	\$8,034,732	\$11,417,869
Indirect Secure Flight	13,256,696	26,099,699
Non-Secure Flight	42,938,572	61,217,432
Total	\$64,230,000	\$98,735,000

Source: Terrorist Screening Center, July 2005

We were unable to perform transaction testing or an in-depth analysis of the cost breakdowns provided by the TSC because the information was not provided until July 18, 2005. The TSC also has not been able to adequately estimate its projected workload increase due to TSA's failure to provide a

⁵ The costs identified as direct include expenditures that are fully attributable to Secure Flight. The indirect costs represent areas in which the TSC has planned for changes to its general organization and infrastructure and a portion of those modifications has been charged to Secure Flight based on the percentage of the total call volume, customers, and staff at the TSC expected to be related to Secure Flight activities.

⁶ The spending information includes all non-personnel funding included in the FY 2006 budget submission for the TSC. An additional \$5,265,000 was requested for an increase in the number of full-time equivalent FBI positions assigned to the TSC. The TSC did not include any personnel figures in the spending information that it gave to us because all its positions are provided by the participating agencies, such as the FBI or the DHS.

reliable and definitive implementation schedule for the Secure Flight program as a whole. Moreover, the TSC's total and indirect costs are based upon assumptions of growth in areas outside of Secure Flight, and in this review we did not examine these non-Secure Flight enhancements.

Given these factors, we are unable to reach a conclusion as to the accuracy of the financial information the TSC provided our auditors to explain its direct and indirect costs of implementing Secure Flight. We recommend that the TSC develop the capacity to produce more accurate financial and budgetary projections that identify its Secure Flight funding needs separately from other TSC endeavors. However, as it stands currently from the information provided, the OIG cannot determine how much of the \$75 million out-of-cycle budget enhancement requested by the TSC for FY 2006 appropriately reflects the TSC's actual anticipated expenses for Secure Flight versus other enhancements.

Planning for Secure Flight Information Technology

We were told by TSC officials that it initially appeared that the TSA did not plan for the TSC to be directly involved in the Secure Flight screening process. The TSA assumed that it would be responsible for conducting all of the electronic searches as well as all human vetting for terrorist screening related to domestic air travel. Under this scenario, the TSC's role would be limited to providing a copy of its consolidated watch list database to the TSA. However, according to TSC officials, the TSA's plan did not account for having to communicate the results of the Secure Flight matches to the law enforcement agencies responsible for responding to hits against the watch list.

Besides omitting arrangements for any necessary law enforcement response, the TSA neglected to plan for the complex process of record additions, deletions, and modifications made to the TSDB on a continual basis. According to the TSC's IT officials, this oversight resulted from the TSA's initial assumption that it would receive a relatively static copy of the TSDB against which the TSA would compare the passenger data obtained from the airlines.

Once the TSA and the TSC agreed on the TSC's necessary role in the screening process, many of the processes that the TSA had already developed had to be re-designed and re-tooled. For example, although TSC officials reported that in May 2005 the TSA began to communicate more openly and proactively with the TSC, in the middle of June, just weeks prior to the original laboratory testing date, the TSA identified problems with the data file formats that are critical for transmission of passenger information from the airlines to the TSA Secure Flight Office and the subsequent transmission of

TSA Secure Flight-determined watch list matches to the TSC. According to TSC officials, two separate teams at the TSA designed the two processes and apparently did not coordinate the basic file structures or consult the TSC. TSC IT officials said that the TSA's file format problem might not have occurred had the standards for data exchange been established prior to designing and developing the systems and applications.

Officials in the TSC IT Branch said they will be prepared for the launch of Secure Flight and have established electronic interfaces for the exchange of data, modified the TSDB to allow for the watch list to be shared with the TSA, and developed significant enhancements to the TSC's current systems to accommodate Secure Flight screening and to facilitate the necessary law enforcement response to domestic travelers who are a match against the watch list. The TSC stated that its plans for these actions are on track and will be finalized before the launch of the Secure Flight program.

Other Preparations in Support of Secure Flight

To assist individuals who believe they were inappropriately delayed or prohibited from boarding their flights by the Secure Flight program, the Intelligence Reform and Terrorism Prevention Act of 2004 directed the DHS to establish a timely and fair method to appeal or correct any erroneous data in the terrorist screening database. In response, the TSA established a new redress office, increased its staffing, and drafted new processes and procedures. TSA officials indicated that the TSC would play a supporting role in the redress process, but would not have direct contact with the public. However, the TSA and the TSC have not reached agreement on certain important redress concepts, such as the amount and specificity of information that is provided to redress requestors.

In addition, the TSA and the TSC have worked together to address a number of legal requirements for both agencies, including the issuance of System of Records Notices (SORN), which is required by the Privacy Act of 1974.⁷ On July 28, 2005, the TSC published a SORN that covers its current

⁷ The TSDB is considered a "system of records" because it contains data regarding individuals that is retrieved by name or by some identifying number, symbol, or other piece of information. Both the TSA and the TSC are required by the Privacy Act to publish in the *Federal Register* a description of their own records as well as any new use of the information contained therein and to provide the public an opportunity to comment. This informs the public of the purpose for the system and includes information such as a description of the types of individuals reflected in the records, the data collected, the reason for data collection, the data safeguard and security processes, and rules and purposes for sharing the data.

and anticipated screening operations, including those related to Secure Flight.⁸

Conclusions

The TSC's Secure Flight screening responsibilities are anticipated to begin in September 2005, when Secure Flight is launched. We found that the TSC has designed its necessary electronic connections to accommodate the transfer of terrorist watch list records, airline passenger information, and screening results; developed new processes to facilitate law enforcement responses to encounters with individuals who are a match against the consolidated terrorist watch list; and is on schedule for testing its newly established systems and procedures relating to Secure Flight.

However, the TSA has repeatedly adjusted the implementation date for Secure Flight, from April 2005 to August 2005, to the most recent target date of September 2005. In addition, the TSA has changed its Secure Flight implementation plan and as of July 31, 2005, is unsure how many airlines will participate in the initial phase. As a result, neither the TSA nor the TSC knows how many passenger records will be screened and cannot project the number of watch list hits that will be forwarded to the TSC for action. This shifting of critical milestones has affected the TSC's ability to adequately plan for its role in the Secure Flight program.

In addition, we found that the TSC lacks the ability to identify specific costs that are in support of the Secure Flight program. At the exit conference for this audit, TSC officials stated that they do not currently have the ability to project baseline budget information related to the cost of adding Secure Flight to the TSC's regular operations. TSC officials attributed this lack of fundamental data to their stage of development, noting that the organization has been in existence for less than 2 years. TSC management stated that the TSC's base budget of \$29 million was derived from conservative estimates developed during the organization's earliest days and this amount cannot meet its normal operating requirements. They further stated that the composition of the TSC as an intergovernmental organization within the FBI makes the situation more complex. In addition, TSC officials stated that the structure of the FBI's financial systems limits its flexibility in categorizing and summarizing costs associated with its varied projects and programs. TSC officials said that they understand the importance of being able to discretely project and track costs by program, budget category, or organizational unit. However, the TSC stated that it currently is unable to

⁸ Prior to the issue of its SORN, the TSC was covered by an existing FBI SORN related to its central records system.

accurately estimate the incremental cost of adding programs that increase the TSC's range of operations, such as Secure Flight.

The TSC's difficulties in estimating the costs for Secure Flight are exacerbated by the TSA's failure to specifically define the scope of each implementation phase. As a result, the TSC has been unable to adequately project its resource requirements for responding to the expected increase in workload.

In sum, the TSC is trying to plan for a program that has several major undefined parameters. Specifically, the TSC does not know when Secure Flight will start, the volume of inquiries expected and the resulting number of resources required to respond, the quality of data it will have to analyze, and the specific details of the phased-in approach for taking the program from "pre-operational testing" in September 2005 to full operational capability in FY 2007.

At the end of our report, we made five recommendations to the TSC to help it support the Secure Flight program. TSC management has agreed with our recommendations and their response to each is located in Appendix III. Our analysis of the response is included in Appendix IV.

TABLE OF CONTENTS

CHAPTER 1: ESTABLISHMENT OF THE SECURE FLIGHT CONCEPT.....	1
AIRLINE PASSENGER PRESCREENING	2
CREATION OF SECURE FLIGHT.....	3
<i>Implementation Plan for Initial Operating Capability</i>	<i>3</i>
SECURE FLIGHT OVERVIEW	4
CHAPTER 2: TSC'S PREPARATIONS TO SUPPORT SECURE FLIGHT ...	6
COORDINATING SECURE FLIGHT EFFORTS	6
PLANNING FOR OPERATIONAL CHANGES AT THE TSC.....	8
<i>Formation of TSC Secure Flight Working Group</i>	<i>8</i>
<i>Funding for Secure Flight.....</i>	<i>9</i>
PLANNING FOR SECURE FLIGHT-RELATED INFORMATION TECHNOLOGY.....	14
<i>TSC and TSA IT Coordination</i>	<i>15</i>
<i>Secure Flight IT Processes</i>	<i>18</i>
PLANNING FOR LEGAL AND POLICY ISSUES IN SUPPORT OF SECURE FLIGHT	21
<i>Legal Considerations</i>	<i>21</i>
<i>Redress.....</i>	<i>23</i>
<i>Quality Assurance.....</i>	<i>24</i>
CHAPTER 3: OIG CONCLUSIONS AND RECOMMENDATIONS	26
RECOMMENDATIONS	27
APPENDIX I: AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY	29
APPENDIX II: ACRONYMS USED THROUGHOUT THE REPORT.....	31
APPENDIX III: FEDERAL BUREAU OF INVESTIGATION RESPONSE.	33
APPENDIX IV: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE REPORT.....	39

CHAPTER 1: Establishment of the Secure Flight Concept

The need to strengthen commercial aviation security escalated after the attacks of September 11, 2001. Among other security measures, the U.S. government has sought to enhance the prescreening of passengers before they board commercial airliners at airports across the country.

The National Commission on Terrorist Attacks Upon the United States (9/11 Commission) recommended that the Transportation Security Administration (TSA) within the U.S. Department of Homeland Security (DHS) assume the responsibility for screening commercial airline passengers, and that the DHS use information contained within federal government watch lists to do so.⁹ The 9/11 Commission further recommended that air carriers be required to provide the TSA with the necessary passenger information to conduct such screening. Shortly thereafter, the Intelligence Reform and Terrorism Prevention Act of 2004 directed the Assistant Secretary of Homeland Security to “commence testing of an advanced passenger prescreening system that will allow the Department of Homeland Security to assume the performance of comparing passenger information . . . to the automatic selectee and no-fly lists, utilizing all appropriate records in the consolidated and integrated terrorist watch list maintained by the Federal Government.”¹⁰

The Terrorist Screening Center’s (TSC) consolidated terrorist watch list - known as the Terrorist Screening Database, or the TSDB – is intended to be used in the Secure Flight screening process. The TSC was established through Homeland Security Presidential Directive-6 on September 16, 2003, and began initial operations on December 1, 2003. The TSC is a multi-agency effort, administered by the FBI, and was created to consolidate the government’s approach to terrorist screening.¹¹

We conducted this review in response to House Report 109-072 (Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief 2005), which directed the Office of the Inspector General to evaluate the TSC’s plan to support the Secure Flight program and

⁹ *The 9/11 Commission Report*, National Commission on Terrorist Attacks Upon the United States (July 2004)

¹⁰ Pub. L. No. 108-458 (2004)

¹¹ In June 2005, the OIG issued a review of the TSC’s administration, operations, information systems, data reliability, and accomplishment of mission-critical functions. This report, *Review of the Terrorist Screening Center, Report Number 05-27*, contains detailed descriptions of the TSC’s processes and functions.

to report to the House and Senate Appropriations Committee on the results of our review by August 1, 2005.

Airline Passenger Prescreening

In the late-1990s, the Department of Transportation began using the Computer Assisted Passenger Prescreening System (CAPPS I) to screen air travelers and select individuals for additional airport security screening. Air carriers conducted this screening by comparing domestic airline passenger manifest information (passenger name records) against certain aviation risk criteria known as the CAPPS I rules. Additionally, after September 11, 2001, air carriers began comparing passenger information against: (1) the federal government's "no-fly" list, which includes names of individuals who are to be denied transport on commercial flights because they are deemed a threat to civil aviation; and (2) the federal government's "selectee" list, which includes names of individuals that air carriers are required to select for additional screening prior to permitting them to board an aircraft.

On November 19, 2001, Congress enacted the Aviation and Transportation Security Act, which established the Transportation Security Administration (TSA) in the Department of Transportation.¹² On March 1, 2003, the TSA and its management of CAPPS I was transferred to the newly created Department of Homeland Security, as mandated in the Homeland Security Act of 2002.¹³

Also in March 2003, the TSA began developing the next phase of the CAPPS program, or CAPPS II, under the TSA's Office of National Risk Assessment. The CAPPS II program planned for transferring responsibility for prescreening passenger information from the airlines to the federal government. A Government Accountability Office (GAO) report compared the CAPPS II program to its predecessor and described the new initiative as a screening system "to perform different analyses and access more diverse data, including data from government and commercial databases, to classify passengers according to their level of risk (i.e., acceptable risk, unknown risk, or unacceptable risk), which would in turn be used to determine the level of security screening each passenger would receive."¹⁴ However, another review conducted by the GAO had identified a number of problems

¹² Pub. L. No. 107-71, §115 Stat. 597, 637 (2001)

¹³ Pub. L. No. 107-296 (2002)

¹⁴ *Aviation Security: Secure Flight Development and Testing Under Way, but Risks Should Be Managed as System Is Further Developed*, Government Accountability Office (GAO-05-356, March 2005)

with the CAPPS II program that had not been addressed, including the lack of critical elements necessary for sound project planning and privacy protection.¹⁵ TSA officials cancelled CAPPS II in August 2004 in light of a DHS internal review of the program, the 9/11 Commission recommendation for including the terrorist watch list in the passenger screening process, and other factors.

Creation of Secure Flight

Soon after the TSA cancelled the CAPPS II program, it announced the Secure Flight initiative. This new program for prescreening domestic commercial aviation passengers was intended to replace aspects of CAPPS II by screening passenger records against the government's consolidated watch list of known or suspected terrorists maintained by the TSC.

The TSA originally had planned to implement its Secure Flight program in April 2005. However, TSA delayed the start of the initial passenger prescreening operations to August 19, 2005. According to the March 2005 GAO report, the delay in the program implementation date and other supporting TSA milestones resulted from a number of factors, including the receipt of hundreds of comments on privacy issues related to Secure Flight.

In early July 2005, the TSA announced another change in Secure Flight's implementation date. As a result of the air carriers' request to TSA not to implement the program before the Labor Day holiday, the TSA pushed the launch date for the initial phase of Secure Flight (referred to as "pre-operational testing") to the second week of September 2005.

Implementation Plan for Initial Operating Capability

According to the TSA, Secure Flight will result in greater effectiveness, efficiency, and consistency by consolidating functions now separately conducted by 65 air carriers that transport 1.8 million passengers on 30,000 flights each day from approximately 450 airports where security screening is required.¹⁶ TSA officials said that when Secure Flight initially begins operations in September 2005, it will involve anywhere from one to seven

¹⁵ *Aviation Security: Computer-Assisted Passenger Prescreening System Faces Significant Implementation Challenges*, Government Accountability Office (GAO-04-385, February 12, 2004)

¹⁶ Statement of Justin P. Oberman, Assistant Administrator, Transportation Security Administration, Secure Flight/Registered Traveler, to the Subcommittee on Economic Security, Infrastructure Protection, and Cybersecurity, Committee on Homeland Security, United States House of Representatives (June 29, 2005).

carriers. The total number of passengers initially screened will be determined based upon the specific carriers involved. For example, in an initial estimate using two air carriers (one major and one minor carrier), the TSA estimated that approximately 350,000 domestic passengers would be screened per day. This number represents approximately 20 percent of the 1.8 million total domestic airline passengers per day. In fiscal year (FY) 2006, the Secure Flight program is expected to gradually increase the number of carriers involved. According to the TSA, full implementation of Secure Flight is currently scheduled for FY 2007.¹⁷

Secure Flight Overview

To bring air passenger prescreening under government control and include the consolidated terrorist watch list in the screening process, the TSA, working in conjunction with the TSC, developed an initial flow chart that illustrated the process of exchanging critical data and the performance of essential tasks.

According to the flow chart, when an individual makes or changes a flight reservation with a commercial airline, a record is created in the airline's reservation system.¹⁸ [SENSITIVE INFORMATION REDACTED] prior to the passenger's departure, the airlines will electronically transmit a portion of the record to the TSA Secure Flight office.¹⁹ The Secure Flight system will electronically compare this record against a copy of the TSDB residing at the TSA. Possible matches against the database (called "hits") will be sent to a TSA Secure Flight analyst for additional review, while records that did not result in a hit against the TSDB will be cleared with the airline for passenger travel. For all passenger records that result in a hit against the database, the TSA will electronically notify the airline that the passenger cannot be issued a boarding pass. When handling hits, the TSA

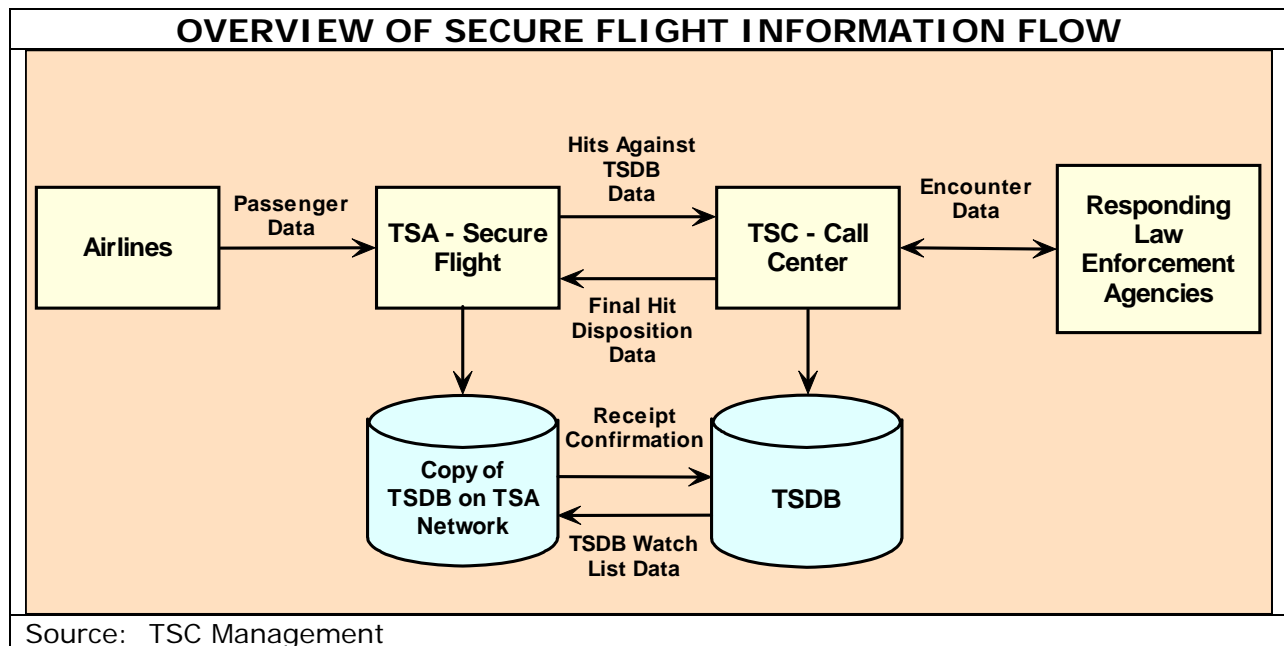
¹⁷ TSA officials stated that of the 65 total domestic air carriers, only 19 airlines will need to have technical connections to the TSA for Secure Flight; another 24 airlines will have indirect connections through these 19 airlines. The remaining 22 airlines do not have electronic reservation systems, and therefore will transmit passenger data manually to the TSA. TSA officials stated that they expect to connect [SENSITIVE INFORMATION REDACTED] airlines to Secure Flight by spring 2006.

¹⁸ The passenger name record contains information including the passenger's name, flight itinerary, and seat assignment.

¹⁹ According to the TSC, when passengers book or modify their travel reservations within [SENSITIVE INFORMATION REDACTED] of the flight departure time, the TSA automated system will prioritize the screening of these records ahead of those for flights with later departure dates. A TSA official stated that, in order to enable all passenger prescreening to occur without having to delay flights, airlines will most likely be required to adhere to the general standard that passengers must be checked in at the airport within 30 minutes of their scheduled departure time.

Secure Flight analyst will search the National Counterterrorism Center's (NCTC) Terrorist Identities Datamart Environment (TIDE) in an effort to eliminate any false positives from these initial matches.²⁰

Watch list hits that have not been cleared by TSA analysts will be electronically transmitted to the TSC for final adjudication. The record transmitted to the TSC will contain passenger information as well as the results of the TSA Secure Flight analyst's efforts to adjudicate the match. The TSC analyst will review the record, conduct additional database searches, and make a final determination as to whether the individual attempting to travel is a valid match against the consolidated terrorist watch list.²¹ For encounters with individuals who are determined to be valid hits against the watch list, the TSC will notify the appropriate responding agency. The following chart provides an overview of the flow of information in the Secure Flight process.



²⁰ The NCTC was established by Presidential Executive Order 13354 on August 27, 2004. The NCTC is intended to serve as the primary organization within the U.S. government for analyzing and integrating all intelligence possessed by the U.S. government pertaining to terrorism and counterterrorism. The NCTC operates TIDE, the successor system to TIPOFF, which was the Department of State's database of records on known or suspected international terrorists.

²¹ Additional database searches at the TSC constitute a check of the FBI's Automated Case Support (ACS) system and the FBI's Violent Gang and Terrorist Organizations File (VGTOF). The ACS database is the FBI's case management program, and the VGTOF database is the FBI's system for tracking terrorist and violent gang information, which resides on the National Crime Information Center (NCIC) system. Only terrorist information in the VGTOF database, not violent gang related records, is used for screening purposes by the TSC.

CHAPTER 2: TSC's Preparations to Support Secure Flight

Since the announcement of the Secure Flight initiative in August 2004, the TSC has begun preparations for supporting this additional terrorist screening effort. The TSC's role in Secure Flight involves performing tasks similar to those it currently conducts in screening suspected terrorists at ports of entry and within the United States. However, in preparing for the launch of Secure Flight, the TSC has implemented a number of changes in anticipation of a significant increase in the volume of screening requests.

Coordinating Secure Flight Efforts

During the course of the development of the TSA's Secure Flight program, the TSA reorganized or restructured the office responsible for the initiative at least two times. According to the GAO, in November 2004 the DHS attempted to consolidate and strengthen TSA's screening capability by combining the Office of National Risk Assessment – which developed CAPPS II – with the Credentialing Program Office to become the Office of Transportation Vetting and Credentialing. In April 2005, this office was restructured to create the Office of Secure Flight/Registered Traveler.

According to TSC officials, this repeated restructuring has hampered communication and coordination between the TSA and the TSC and has impeded the TSC's ability to fully plan for the implementation of Secure Flight, as detailed below.

In September 2004, officials from TSA and the TSC met to discuss initial plans for implementing Secure Flight, and in October 2004 jointly developed a high-level process flow chart for Secure Flight. In December 2004, the TSC IT Branch provided the TSA with data from the TSDB for the purpose of conducting preliminary testing related to Secure Flight. In January 2005, the TSC asked for and received the assistance of a full-time TSA executive to work as the TSC Secure Flight Program Coordinator. However, it was not until February or March 2005 that the TSA and the TSC began to actively work together on the Secure Flight program. At that time, regularly scheduled, joint meetings with all key participants were initiated to define the roles of the supporting agencies and discuss the status of Secure Flight's development.²² TSA officials explained that this

²² Aside from the TSA and the TSC, other key stakeholders include the Terrorist Screening Operations Unit (TSOU) in the FBI Counterterrorism Division, the DHS's Federal Air Marshal Service (FAMS), and the Department of Defense's North American Aerospace Defense Command (NORAD). The TSOU will coordinate any necessary law enforcement response to anticipated or realized encounters with individuals who are a match against a watch list record. The FAMS will monitor and resolve any on-board activity of flights in progress, while NORAD will monitor affected flights and take any necessary airspace actions.

delay resulted from their devotion of significant resources to data testing and that they simply did not have time to coordinate with the TSC. Early discussions included the level of information contained within the joint concept of operations between the TSA and the TSC and the level of participation the TSC and FBI Counterterrorism Division staff would be expected to have in the Secure Flight process.

In March 2005, the TSA finalized its initial Secure Flight concept of operations. According to the March 2005 GAO report, the concept of operations document provides "a high-level perspective of how the system will operate and includes the roles and responsibilities of key staff and organizations. It also provides information necessary to begin finalizing other documents, such as system requirements."²³ However, the GAO reported that key operational decisions for Secure Flight had not yet been made, such as how passenger information would be transferred from the airlines to the TSA Secure Flight office. Since issuance of the GAO report, the TSC has collaborated with the TSA on a revised concept of operations document that provided for the participation of the TSC, which was finalized on July 13, 2005.²⁴

In addition to the concept of operations document, the TSC and TSA have collaborated on a Memorandum of Understanding (MOU) intended to outline the agencies' respective roles and responsibilities for the Secure Flight program. The TSC initially prepared a draft of the document and submitted it to the TSA in May 2005. As of July 31, 2005, the document had not been finalized.

We spoke with officials at both the TSA and the TSC about the working relationship that had developed between the two agencies. TSA officials expressed their satisfaction with the TSC's support of the Secure Flight program and believe that the TSA and the TSC have a positive partnership. Further, the TSA stated that the TSC had assisted the TSA significantly in its development of processes and IT-related projects. According to TSA officials, the relationship between the TSA and the TSC will allow for a more consistent and unified law enforcement response to airline security incidents and help the TSA in ensuring transportation security.

²³ *Aviation Security: Secure Flight Development and Testing Under Way, but Risks Should Be Managed as System Is Further Developed*, Government Accountability Office (GAO-05-356, March 2005)

²⁴ This concept of operations is a TSA-originated document and the TSA declined to provide it to us until it was finalized. We received evidence of the finalization at our exit conference with the TSC on July 26, 2005. Therefore, we were unable to examine this document prior to the completion of our review.

The TSC has expressed its willingness to assist the TSA in its Secure Flight initiative. Further, despite TSC personnel initially being excluded from the TSA's preliminary planning for the program, we found that the TSA/TSC relationship has evolved into a more positive working partnership. However, TSC officials explained that their ability to prepare for the implementation of Secure Flight has been hampered by the TSA's failure to make, communicate, and comply with key program and policy decisions, such as the planned launch date and initial participation volume (discussed in Chapter 1) and the IT connections and redress responsibilities discussed later in this chapter.

Planning for Operational Changes at the TSC

The Director of the TSC stated that the portion of the agency's activities dedicated to Secure Flight has evolved over time. She estimated that only a small portion of the TSC's resources were dedicated to Secure Flight in the winter of 2004. However, the TSC's efforts have increased incrementally since then. The Director estimated that by mid-July 2005 about 60 to 70 percent of the TSC's work could be attributed to preparations for the Secure Flight program because of the impending launch of the initiative and the large amount of preparations underway.

The TSC stated that once preparations for the Secure Flight program are finalized, the program is launched, and screening begins, Secure Flight will be an additional important TSC customer that will significantly increase its call center activity. The TSC will perform much of the same screening processes it currently conducts for calls from state and local law enforcement, border patrol agents, and government agents abroad. As of July 2005, TSC screeners were receiving about 100 inquiries per day resulting from hits against the watch list database forwarded from these sources. Based on information currently available, the TSC expects that full implementation of Secure Flight will result in [SENSITIVE INFORMATION REDACTED] additional screening inquiries per day, representing an increase of [SENSITIVE INFORMATION REDACTED] percent of its current screening operations.

Formation of TSC Secure Flight Working Group

To ensure that the TSC addressed all areas of support for the Secure Flight program, the TSC developed three sub-teams – an operations team, an information technology (IT) team, and a policy/legal team. These teams meet on a weekly basis with the TSC Secure Flight Program Coordinator to discuss the status of their projects and to jointly prioritize their work. According to the TSC, the combination of these sub-teams and the

leadership of the Program Coordinator resulted in a multi-disciplined internal working group that organized and prioritized the agency's Secure Flight objectives and streamlined its approach to the program.

Funding for Secure Flight

The TSC stated that the Secure Flight program will significantly impact its space, staffing, and funding needs. TSC officials also stated that other TSC projects have taken a back seat while they focused on the planning and development of Secure Flight requirements.

TSC Budget Information

The TSC's base budget for FY 2005 is \$29 million. In addition, it recently obtained through the FY 2005 Emergency Supplemental Appropriations Act additional funding of \$35.23 million, which the TSC will have 2 years to spend. These additional funds were provided by Congress for Secure Flight and other unspecified infrastructure improvements. As a result, the TSC received a total of \$64.23 million in FY 2005.

The FBI's initial FY 2006 budget request of \$29 million for the TSC was later supplemented in November 2005 by an out-of-cycle request of \$75 million for TSC enhancements, including a new facility, state-of-the-art telecommunications equipment for call center operations, and preparations for Secure Flight and other government initiatives that will result in additional terrorist screening opportunities. Therefore, the FBI's total funding request for the TSC for FY 2006 amounts to \$104 million.

Tracking of TSC Secure Flight Costs

At the outset of our review, we requested an accounting of the TSC's expected and actual Secure Flight costs. In response, the TSC stated that Secure Flight cannot operate without substantial modifications to the TSC's existing IT environment, such as the ability to handle a significant increase in the number of screening inquiries, the development of data interfaces with new participating agencies, improvements allowing for real-time connectivity with users, and other necessary enhancements to the TSDB and the TSC's Encounter Management Application (EMA).²⁵ According to TSC

²⁵ EMA is the TSC's tool for recording the details of all incoming calls to its call center resulting from government encounters with individuals that appear to be a hit against a watch list record. Call center staff record the information they received from the caller, the TSC determination of whether the individual is a match with a TSDB record, whether the caller was forwarded to law enforcement for further action, and the final disposition of the encounter.

officials, they are using the Secure Flight requirements as the basis for all modifications to the TSC's databases and processes that have any connection to Secure Flight. As a result, TSC officials said they could not distinguish Secure Flight funding needs from those necessary for other TSC system enhancements not related to Secure Flight.

In response to our request, however, the TSC Administration Branch prepared and provided a summary spending plan. We reviewed this document and noted several problems. For example, the document stated that the TSC could attribute only \$1.5 million *directly* to the Secure Flight program. The \$1.5 million only captured estimates for contractor funding for initial IT development, including the identification of requirements and concept development for Secure Flight. Moreover, the document did not specify how Secure Flight affected other expected costs or what portion of the TSC's activities were impacted by Secure Flight. As a result, we expressed to the TSC the importance of more specifically allocating its costs so that the resource requirements of discrete programs or initiatives can, at a minimum, be estimated.

The Director of the TSC agreed with the need to identify Secure Flight funding needs separately from other TSC endeavors. Additionally, she acknowledged that because certain TSC expenses, such as systems, staffing, and procurements, are paid by other federal agencies or divisions within the FBI, the TSC is unaware of how much the organization truly costs to operate. The Director stated that she recognizes the importance of having designated budget staff to perform budget formulation, analysis, and execution, but stated that the TSC does not currently possess the expertise to perform these functions. Given the importance of its mission and the large amount of money it annually receives, we believe it is critical that the TSC have a budget staff able to track its costs and requirements.

Review of Funding Information

As a result of our discussions with the TSC Director and her staff in July 2005, the TSC subsequently informed us that it would make another attempt to more precisely reconstruct its estimation of Secure Flight costs. In mid-July, we received a breakdown of FY 2005 and FY 2006 Secure Flight direct costs as well as the indirect costs in proportion to the total costs for the TSC as a whole.

To separate Secure Flight indirect costs from the total costs for all TSC programs and activities, the TSC identified the percentage of the total call volume, customers, and staff at the TSC that were expected to be related to Secure Flight activities. These percentages were applied to budget

REDACTED FOR PUBLIC RELEASE

categories to allocate the costs of each category and to estimate the overall cost of supporting Secure Flight.

As shown in Table 1, the breakdown provided by the TSC reveals that 12.5 percent (\$8,034,732) of the TSC's \$64.23 million in appropriated and supplemental resources in FY 2005 is estimated to be in direct support of the Secure Flight program. An additional 20.6 percent (\$13,256,696) of the total is estimated as indirect costs for the Secure Flight program. This amounts to a total of \$21,291,428 for Secure Flight-related expenses in FY 2005, or 33.15 percent of the TSC's total FY 2005 funding.

TABLE 1: FY 2005 TERRORIST SCREENING CENTER RESOURCES²⁶						
Category	TSC Total	Secure Flight Direct	Other TSC	Secure Flight Indirect	Secure Flight Total	Secure Flight % of TSC Total
Building Requirements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%
Leases	903,467	0	903,467	169,400	169,400	18.75%
Office Supplies and Equipment	4,626,825	51,557	4,575,268	2,450,010	2,501,567	54.07%
Hardware/Software	21,664,019	829,235	20,834,784	3,941,848	4,771,083	22.02%
IT Contracts & Reimbursable Staff	21,975,146	6,870,935	15,104,211	4,685,746	11,556,681	52.59%
Operational Contracts & Reimbursable Staff	9,624,437	283,005	9,341,432	1,167,679	1,450,684	15.07%
Training, Travel, and Security	1,841,709	0	1,841,709	392,714	392,714	21.32%
Disaster Recovery	1,531,250	0	1,531,250	191,406	191,406	12.50%
Other Requirements	2,063,147	0	2,063,147	257,893	257,893	12.50%
Total	\$64,230,000	\$8,034,732	\$56,195,268	\$13,256,696	\$21,291,428	33.15%
Source: Terrorist Screening Center, July 2005						

As shown in Table 2, the TSC estimated its FY 2006 budget expenditures directly related to Secure Flight will amount to 11.6 percent (\$11,417,869) of the resources included in the FY 2006 President's Budget request for the TSC. Indirect costs for Secure Flight in FY 2006 are projected to amount to 26.4 percent (\$26,099,699) of the TSC's total anticipated budget for FY 2006. Therefore, the total cost for Secure Flight (direct and indirect) in FY 2006 is projected to account for 38 percent (\$37,517,568) of the TSC's total requested budget.

²⁶ The direct costs shown in Table 1 reflect Secure Flight actual expenditures through May 2005, projected expenditures for the remainder of FY 2005, and FY 2005 obligations to be paid in FY 2006.

REDACTED FOR PUBLIC RELEASE

TABLE 2: FY 2006 TERRORIST SCREENING CENTER RESOURCES²⁷						
Category	TSC Total	Secure Flight Direct	Other TSC	Secure Flight Indirect	Secure Flight Total	Secure Flight % of TSC Total
Building Requirements	\$ 800,000	\$ 0	\$ 800,000	\$ 320,000	\$ 320,000	40.00%
Leases	5,947,737	0	5,947,737	2,379,095	2,379,095	40.00%
Office Supplies and Equipment	18,011,740	0	18,011,740	9,601,258	9,601,258	53.31%
Hardware/Software	24,122,768	5,100,000	19,022,768	2,907,496	8,007,496	33.19%
IT Contracts & Reimbursable Staff	24,417,249	3,527,885	20,889,364	7,528,284	11,056,169	45.28%
Operational Contracts & Reimbursable Staff	15,985,220	2,789,984	13,195,236	1,649,405	4,439,389	27.77%
Training, Travel and Security	7,144,973	0	7,144,973	1,205,997	1,205,997	16.88%
Disaster Recovery	505,313	0	505,313	63,164	63,164	12.50%
Other Requirements	1,800,000	0	1,800,000	445,000	445,000	24.72%
Total	\$98,735,000	\$11,417,869	\$87,317,131	\$26,099,699	\$37,517,568	38.00%
Source: Terrorist Screening Center, July 2005						

The majority of the TSC's actual and projected Secure Flight direct costs in both FY 2005 and FY 2006 are related to IT enhancements and operational expenditures to support an anticipated increase in call center activity. A significant portion of the overall program costs are percentages of TSC enhancements and infrastructure improvements that are not related directly to Secure Flight, but which the TSC has stated will support all of its activities. As previously noted, the TSC budget increases for both FY 2005 and FY 2006 were to support Secure Flight and other initiatives.

We were unable to perform transaction testing or an in-depth analysis of the cost breakdowns provided by the TSC because the information was not provided until July 18, 2005. The TSC also has not been able to adequately estimate its projected workload increase due to the TSA's failure to provide a reliable and definitive implementation schedule for the Secure Flight program as a whole. Moreover, the TSC's total and indirect costs are based upon assumptions of growth in areas outside of Secure Flight, and in this review we did not examine these non-Secure Flight enhancements.

Given these factors, we are unable to reach a conclusion as to the accuracy of the financial information the TSC provided our auditors to explain its direct and indirect costs of implementing Secure Flight. We

²⁷ This budget includes all non-personnel funding included in the FY 2006 budget submission for the TSC. An additional \$5,265,000 was requested to enhance the number of full-time equivalent FBI positions assigned to the TSC. The TSC did not include any personnel figures in the information that it provided to us because all of its positions are provided through the participating agencies, such as the FBI or the DHS.

recommend that the TSC develop the capacity to produce more accurate financial and budgetary projections that identify its Secure Flight funding needs separately from other TSC endeavors. However, as it stands currently from the information provided, the OIG cannot determine how much of the \$75 million out-of-cycle budget enhancement requested by the TSC for FY 2006 appropriately reflects the TSC's actual anticipated expenses for Secure Flight versus other enhancements.

At the exit conference for this audit, TSC officials stated that they do not currently have the ability to project baseline budget information related to the cost of adding Secure Flight to the TSC's regular operations. TSC officials attributed this lack of fundamental data to their stage of development, noting that the organization has been in existence for less than 2 years. TSC management stated that the TSC's base budget of \$29 million was derived from conservative estimates developed during the organization's earliest days and this amount cannot meet its normal operating requirements. They further stated that the composition of the TSC as an intergovernmental organization within the FBI makes the situation more complex. In addition, TSC officials stated that the structure of the FBI's financial systems limits its flexibility in categorizing and summarizing costs associated with its varied projects and programs. TSC officials said that they understand the importance of being able to discretely project and track costs by program, budget category, or organizational unit. However, the TSC stated that it currently is unable to accurately estimate the incremental cost of adding programs that increase the TSC's range of operations, such as Secure Flight.

Delayed Projects

According to the TSC, it has been forced to delay the implementation of security measures, database enhancements, and quality control improvements to provide support for the launch of Secure Flight. TSC officials informed us that such delays will impact the accuracy, completeness, thoroughness, and security of the consolidated watch list information. TSC officials said that the following projects were delayed because of Secure Flight:

- Implementation of a new version of the TSDB, which was to provide real-time updates to the National Crime Information Center database;
- Enhancement of the TSDB through the development and inclusion of stringent information system rules over data integrity;

- Repair of the interface with a participating agency database to allow for the necessary electronic transfer and receipt of updated data;
- Development of direct connections between the TSDB and its customers, allowing for real-time watch list queries;
- Enhancements to the encounter management system to streamline and automate certain procedures involved in the quality assurance process;
- Preparations for and installation of a firewall that will improve the security of the TSDB; and
- Over 40 individual modifications to the TSDB software to improve the system for use within the TSC Nominations Unit.

Each of the projects listed above relate directly or indirectly to the findings and recommendations in our June 2005 report. We are tracking the TSC's accomplishment of these items through that report and have observed that these projects have incurred delays. At the exit conference, TSC officials reported that several of the delayed projects have been initiated or completed.

Planning for Secure Flight-Related Information Technology

As reported in our June 2005 audit of the TSC, the TSC was operating in an immature IT environment when it hired a Chief Information Officer (CIO) in August 2004. Our previous report included 16 recommendations related to the TSC's IT systems, planning, and operations. In an effort to develop and stabilize the IT environment in preparation for implementation of the Secure Flight program, the CIO has spearheaded a number of initiatives.

First, TSC officials have begun to develop an IT-specific strategic plan that identifies nine major objectives related to issues such as security, life cycle planning, and data accuracy and completeness. The TSC intends to incorporate this IT-specific information in its overall strategic plan, which is also in development.²⁸

²⁸ In our June 2005 report, we recommended that the TSC develop a formal, comprehensive strategic plan. We are tracking the TSC's progress in achieving this objective.

Second, in order to streamline IT functions, the TSC has reorganized its IT Branch into four areas – engineering, project management, applications, and operations. The engineering area designs the top-level physical IT system, drafts diagrams of the general construction of the system, and conceptualizes security architecture. The project management area plans, schedules, and tracks various IT-specific projects and assists with all types of TSC projects, such as scheduling and tracking the TSC's proposed move to a new facility. The applications area manages software development, including determining user requirements and designing, testing, and deploying the programs. The operations area provides maintenance and support for the TSC's data systems, applications, and users.

In addition, the TSC established an office responsible for developing business/data rules to ensure the integrity of the watch list data. This office will assist in the TSC's quality assurance efforts and have responsibility for ensuring that the TSA Secure Flight office has an up-to-date watch list at all times.

We believe that these initiatives will assist the TSC in enhancing its IT environment. A better-functioning IT environment is critical to the smooth introduction of the TSA Secure Flight program into the TSC's operations.

TSC and TSA IT Coordination

TSC officials said that it initially appeared to them that the TSA did not plan for the TSC to be directly involved in the Secure Flight screening process. The TSC officials said that the TSA assumed that it would be responsible for conducting all of the electronic searches and vetting for terrorist screening related to domestic air travel. Under this scenario, the TSC's role would be limited to providing a copy of the consolidated watch list database to the TSA. However, according to TSC officials, the TSA's initial plan did not account for communicating vetting results to the law enforcement agencies responsible for responding to hits against the watch list. The TSC, which derives its authority from Homeland Security Presidential Directive-6, is the entity responsible for consolidating government terrorist watch list screening and to facilitate any associated law enforcement actions. Therefore, the TSC sought a broader role in the TSA's Secure Flight program.

The TSC also said that the TSA initially neglected to plan for the complex process of record additions, deletions, and modifications made to the TSDB on a continual basis. According to the TSC's IT officials, this deficiency resulted from the TSA's initial assumption that it would receive a

relatively static copy of the TSDB against which it would compare the passenger data obtained from the airlines.

Once the TSA and the TSC agreed to the TSC's expanded role in the Secure Flight program, many of the processes that the TSA had already developed had to be re-designed and re-tooled to accommodate the TSC's involvement. This necessitated the previously discussed revisions to the Secure Flight concept of operations document. In addition, the TSC's planning for Secure Flight has been affected by several other actions and decisions by the TSA, including:

- TSC officials stated that the TSA established the initial target implementation date of August 19, 2005, based on the TSA's initial concept of operations in which the TSC's participation was limited to providing a copy of the TSDB to the TSA. Once the TSA and the TSC agreed on the TSC's expanded role in the screening process, the TSC attempted to meet the TSA's August 19 implementation date. TSC officials stated that the resulting compressed work schedule created significant risk for a project as complex as Secure Flight because under such a timetable project life cycles must be collapsed. As a result, the TSC has had to complete all aspects of project development in parallel, meaning that while the TSC's IT staff are still attempting to determine all of the system or software application requirements, the same systems and software applications are simultaneously being designed and developed.
- In preparation for Secure Flight, a TSA contractor performed initial passenger data testing against the TSDB by comparing June 2004 domestic passenger flight data to a December 2004 version of the consolidated watch list. The TSC was not heavily involved in the preparations for this experiment and, according to the TSC CIO, poor test design and data parameters resulted in higher-than-acceptable projections of expected matches against the database. Specifically, the test was initially designed to compare passenger names with the universe of TSDB records and resulted in an unmanageable number of instances in which a match could not be conclusively determined. In an effort to narrow the match results, the TSA contractor reviewed the effect of including other identifying information, such as passenger date of birth. The contractor then prepared new estimates based upon the concept of including passenger birthdates and limiting results to those individuals that matched against a TSDB name and birth date [SENSITIVE

REDACTED FOR PUBLIC RELEASE

INFORMATION REDACTED].²⁹ Based on this new model, the TSA estimated that at full implementation Secure Flight would result in [SENSITIVE INFORMATION REDACTED] watch list matches forwarded to the TSC each day.

TSC IT officials suggested that the test could have been improved by [SENSITIVE INFORMATION REDACTED]. In addition, the TSC advised that the TSA should not use the entirety of the TSDB for its searches because many records in the database do not contain sufficient identifying information.

The TSA and TSC subsequently agreed that the copy of the TSDB provided to the TSA will be limited to records containing both a full name and date of birth, [SENSITIVE INFORMATION REDACTED]. As of June 14, 2005, the TSDB contained a total of 274,873 records and the agreed upon subset that the TSC will provide to the TSA Secure Flight Office amounted to 120,382 records. Based upon the reduced size of the database, the TSC currently is projecting it will receive an additional [SENSITIVE INFORMATION REDACTED] screening inquiries per day from the Secure Flight program.

However, because the TSA has not yet issued the necessary regulation to require airlines to collect date of birth information within domestic travel reservations, the TSC does not know whether the database queries during the first phase of the program will be aided by the inclusion of passenger birth dates.

- In an effort to formalize and standardize its systems development processes, the TSC initiated development of an Interface Control Document. The Interface Control Document is a written agreement that establishes organizations' expectations and arrangements regarding how their information systems will connect, interact, and operate. The TSC drafted an Interface Control Document in conjunction with the TSA; however, according to TSC IT officials, the TSA was hesitant to commit to the overall planning process necessitated by the Interface Control Document concept. Because the document was not finalized until July 7, 2005 – well into the Secure Flight development phase – the TSA and TSC IT systems were developed without mutually agreed-upon standards.

²⁹ This concept was reviewed in a hypothetical setting because the June 2004 airline passenger records did not include dates of birth.

- According to TSC IT personnel, the TSC has implemented the Terrorist Watchlist Person Data Exchange Standard (TWPDES) that was adopted by the intelligence community in the fall of 2004.³⁰ The TSC is attempting to adhere to this established standard in all of its IT systems. However, as a result of the TSA's reluctance to use the TWPDES, together with the compressed work schedule, the TSC has had to deviate from the TWPDES and modify its processes and file structure for exporting data to the TSA. Although the TSC has asserted that this deviation from the accepted standard was necessary, we believe that it will have to be addressed in the future through modifications to the database interfaces between the TSC and the TSA.

TSC officials reported that beginning in May 2005 coordination between the two organizations improved greatly. However, in the middle of June, just weeks prior to the original laboratory testing date, the TSA identified problems with the data file formats that are critical for transmission of passenger information from the airlines to the TSA Secure Flight Office and the subsequent transmission of TSA Secure Flight-determined watch list matches to the TSC. According to TSC officials, two separate teams at the TSA designed the two processes and apparently did not coordinate the basic file structures and did not consult the TSC. Until the basic format was finalized in July 2005, the TSC was not certain what data fields it would receive. TSC IT officials stated that the TSA's file format problem might not have occurred had standards been established and the Interface Control Document finalized prior to developing the Secure Flight systems and applications.

Secure Flight IT Processes

As outlined in the Secure Flight Overview section in Chapter 1, the domestic flight screening process involves four main data interface connections for the transmission of: (1) passenger data from the airlines to the TSA Secure Flight Office; (2) TSDB watch list updates from the TSC to the TSA Secure Flight Office; (3) initial watch list match results from the TSA Secure Flight Office to the TSC; and (4) final screening results from the TSC to the TSA Secure Flight Office as well as to appropriate responding entities such as the FBI Counterterrorism Division, FAMS, or NORAD. Of these four data connections, the TSC is directly involved in three.

³⁰ The TWPDES codifies the intelligence community's protocol for the exchange of information regarding known and suspected terrorists.

Airline Passenger Data to the TSA Secure Flight Office – The TSA assumed responsibility for developing these data interfaces. To fully accomplish the mission of the Secure Flight program, the TSA ultimately will need to develop a connection between its Secure Flight Office and each commercial airline reservation database. However, as previously discussed, the TSA experienced internal problems regarding the development of the file format for this data transfer. According to TSA officials, the necessary interfaces with select air carriers will be operational to begin test operations in September 2005.

TSDB Watch List Updates to the TSA Secure Flight Office – After the initial transfer of appropriate watch list records, the TSC will transmit, in near real-time, three types of watch list record updates to the TSA Secure Flight Office – additions, modifications, and deletions.

The TSA has assumed responsibility for this data interface. However, TSC IT officials stated that for their normal screening operations, they have been working to develop an interface so that a computer system (such as the one being developed for the TSA Secure Flight program) could connect directly with the TSDB for terrorist screening.³¹ According to the TSC officials, this direct interface will provide for greater data accuracy, integrity, and security for the TSDB because it eliminates the need to copy, update, maintain, and secure the TSDB in another location. The TSC had planned to have this capability by May 2005. The TSC officials stated that the TSA ultimately refused the integration of this option in the Secure Flight program because of the compressed work schedule. In order to meet the TSA's Secure Flight implementation deadline, the TSC was forced to delay development of its direct interface process for its other screening customers.

To support its current operations, the TSC established a stand-alone network for the TSDB. In addition, on May 23, 2005, the TSC began operating the newly created TSCNet that was established on an existing sensitive but unclassified platform called the Open Source Information System (OSIS). In preparation for Secure Flight, the TSC has tested a connection between the TSDB network and the newly created TSCNet. Further, the TSC has established a direct connection to the DHS's network, DHSNet, which is also on the OSIS platform. The TSC intends to use these multiple connections to exchange TSDB records with the TSA. [SENSITIVE INFORMATION REDACTED] provides a back-up that will automatically re-

³¹ Currently, screeners such as border inspectors or state and local police officers access the consolidated watch list indirectly through copies of the database loaded on their agencies' network or computer system that are updated on a daily basis.

route data transmissions in the event of a failure in the primary interface to ensure continuation of Secure Flight operations.

TSC IT officials said they finished testing the connection to DHSNet on July 13, 2005, and plan to submit to the FBI CIO the necessary documents to obtain specific accreditation for the new connection. The TSC anticipates that this process will be fully tested and the new connections accredited prior to the implementation of the TSA Secure Flight program.

Watch List Matches from the TSA Secure Flight Office to the TSC – For passengers determined to be possible matches against the watch list, the results of the TSA's vetting of passenger records need to be transmitted electronically to the TSC for final adjudication. Each record (called a Request for Action, or RFA) will contain passenger information obtained from the airline as well as results of the analysis performed by the TSA Secure Flight staff.

TSC assumed responsibility for this data interface, and it modified and enhanced its existing encounter application to create a new application, entitled Encounter Management Application – Secure Flight (EMA SF). The EMA SF data will be transmitted electronically to the TSA Secure Flight Office via the TSC's and DHS's mutual connection with OSIS. According to TSC IT officials, the TSC was able to enhance operational capability, minimize the impact to its current screening customers, and conserve resources by modifying its existing encounter management application to serve this function.

The EMA SF application is designed to streamline TSC functions by electronically transmitting data and pre-populating data fields, thereby eliminating the need to manually re-type data. Because of the compressed implementation schedule, the EMA SF will only contain the functions necessary to meet initial operating capability. However, according to the TSC it will be fully operational. Over time, the TSC intends to make further enhancements to the system to enable the sharing of more complete data.

The TSC completed testing the prototype EMA SF application at the beginning of June 2005. The end users, including representatives from the TSC call center, TSA, the Federal Air Marshal Service (FAMS), and FBI Counterterrorism Division met in mid-July 2005 and tested the design of the application. TSC IT officials stated that user testing of the application design is critical because the process assists in the identification of any real-life situations that were not addressed during system design. Two additional testing phases remain for the EMA SF application. The final testing phase is scheduled to begin on August 2, 2005, and run for approximately 25

business days. TSC IT officials anticipate that the final test phase will be successfully concluded and the application will be ready for the September 2005 implementation date.

TSC Disposition of Final Watch List Hits to the TSA and Responders – Upon receipt of the TSA's initial vetting results, the TSC will conduct additional screening on the passenger record, make a final determination as to whether the individual attempting to travel is a valid match against the watch list, and electronically return the final disposition result to the TSA Secure Flight Office. In addition, when the TSC's review reveals a positive or inconclusive identity match, the TSC will communicate the available details of the match (such as passenger name, flight information, and handling instructions) to the law enforcement agencies responsible for responding to the anticipated encounter with an individual on the watch list.

The TSC assumed responsibility for this data interface and will use its enhanced EMA SF. The new application will assist in coordinating an appropriate law enforcement response by ensuring that all participating agencies view the same data in near real-time.

The TSC will use the OSIS network to enable its partners to access the EMA SF application. According to TSC IT officials, the North American Aerospace Defense Command (NORAD), FAMS, and the TSA have established and tested network connections with DHSNet and OSIS. In addition, because the TSC had an existing working relationship with the FBI Counterterrorism Division for its normal business operations, it did not need to establish a new network connection for TSA Secure Flight.

Planning for Legal and Policy Issues in Support of Secure Flight

In preparation for supporting the TSA's Secure Flight program, the TSA and the TSC have worked together to address several legal requirements. In addition, in an attempt to maximize terrorism screening while minimizing passenger inconvenience, the TSC and the TSA have also begun quality assurance and redress projects.

Legal Considerations

According to the TSC Privacy Officer, the TSDB is considered a "system of records" as defined by the Privacy Act of 1974, as amended, because it contains data regarding individuals that can be retrieved by the name of the individual or by an identifying number, symbol, or other piece of

information.³² As a result, both the TSA and the TSC are required to publish in the *Federal Register* a description of their records or a new use of the information and to provide the public an opportunity to comment. This System of Records Notice, or SORN, informs the public of the purpose for the system and includes information such as a description of the types of individuals reflected in the records, the data collected, the reason for data collection, the data safeguard and security processes, and rules and purposes for sharing the data.

The TSA has issued at least two SORNs for the Secure Flight program and will need to issue an additional SORN specifically addressing TSA's implementation of the operational screening. According to TSA officials, this notice will be published prior to implementation of the TSA Secure Flight program in September 2005.

According to TSC officials, the TSC is currently operating under an existing FBI SORN covering the FBI's central records system. However, according to the TSC Privacy Officer, the TSC has elected to draft its own SORN because of the TSC's unique mission. On July 28, 2005, the TSC published its SORN, which applies to Secure Flight and all of TSC's current and anticipated screening operations.

In addition to the Privacy Act, both the TSC and the TSA are subject to the E-Government Act of 2002, which discusses the need to conduct and publish, as appropriate, Privacy Impact Assessments (PIA).³³ A PIA relates specifically to an IT system that collects, maintains, or disseminates personal information about members of the public who are not government employees, agencies, or instrumentalities. The PIA informs the public about issues such as affected individuals, types of information collected, and information safeguard procedures.

The TSA has published multiple PIAs for the Secure Flight program and will need to conduct an additional PIA specifically addressing the implementation of the operational screening. According to TSA officials, this notice will be published prior to implementation of the TSA Secure Flight program in September 2005. The TSC Privacy Officer stated that she has begun to conduct and draft a PIA for all TSC IT-programs.³⁴

³² Pub. L. No. 93-579 (1974)

³³ Pub. L. No. 107-347 (2002)

³⁴ According to the TSC Privacy Officer, the TSC initially conducted and drafted a PIA during the initial stages of its standup, but this draft became obsolete because the TSC's IT-related systems were changing quickly. TSC officials noted that the E-Government Act exempts systems containing national security and sensitive information, such as the TSDB, from the requirement to conduct a privacy impact assessment.

Redress

To assist individuals who believe they were inappropriately delayed or prohibited from boarding their flights because of the Secure Flight program, the Intelligence Reform and Terrorism Prevention Act of 2004 (the Intelligence Reform Act) directed the DHS to establish a timely and fair method to appeal these determinations and to correct any erroneous data found in the terrorist screening database. To provide domestic airline passengers a redress process, TSA officials indicated that they would expand and enhance existing procedures for individuals raising issues with flight problems related to the no-fly, selectee, and CAPPS I screening processes that have been in existence for several years. To augment its redress operations, the TSA stated that it established a new office, increased its staffing, and drafted new processes and procedures.

According to the TSA, the TSC will play a supporting role in the redress process and will not have direct contact with the public about these issues. When an individual submits a request for redress to the TSA, the individual will be required to provide specific, verifiable identifying information such as passport or visa number, birth certificate number, or driver's license number. The TSA will review available information, request TSC assistance in obtaining more detailed investigation-specific data if necessary, and respond to the redress requestor. If the individual is determined to be a false positive (a close enough match to a TSDB record that will result in a hit against the watch list despite the person not being a true match of the watch-listed individual), the TSA may place the person on a "cleared list" that includes the individual's additional identifying information. This cleared list will be included in the airline screening process and may therefore speed the process for these individuals during subsequent attempts to travel.

Because the responsibility for fully establishing and implementing redress policies and procedures rests with the TSA, we could not review the plans for enhancing this area as it relates to the Secure Flight program.³⁵

³⁵ During our review TSC officials expressed concern regarding one aspect of the redress process. TSA officials have asserted that the Intelligence Reform Act requires the agency to inform redress requestors of the specific results of the inquiry – whether the requestor's name is on a government watch list or is similar to a name on the watch list. TSC officials believe that the TSA's interpretation of the legislation is overly broad and the integrity and effectiveness of the watch lists will be irreparably damaged if the TSA releases such details to the public. The TSC stated that officials from the FBI Counterterrorism Division, NCTC, Central Intelligence Agency Office of the General Counsel, and the counsel to the Director of National Intelligence have expressed similar concerns. At the exit conference, TSC officials reported that they believed the TSC and the TSA had reached an agreement in principle on this issue. However, the TSC stated that the agreement was not yet final and that details still need to be addressed.

However, we found that the TSC had devoted significant effort to enhancing its own activities related to the redress process. In July 2005, the TSC Privacy Officer issued a revised protocol outlining the TSC's procedures for handling redress inquiries. In addition, the TSC provided us with evidence that appropriate TSC staff had received training on the new protocol.

Quality Assurance

In the June 2005 OIG report on the TSC, we identified errors, omissions, and inconsistencies in the TSDB. As a result, the TSC is currently performing a review of all TSDB records in the database for accuracy and completeness. The TSC has initiated a major quality assurance effort to ensure that all records are analyzed through a record-by-record search, in order of highest priority first. TSC officials have stated that this effort will verify the integrity of historical TSDB data and allow the quality of new data to be controlled through the automated processes included in the most recent version of the TSDB. However, TSC officials stated that they believe many errors and omissions in the records are directly attributable to the records received from the source and nominating agencies and that these inaccuracies contribute significantly to the overall reliability of the TSDB.

The TSC's record-by-record review will likely not be completed before Secure Flight is implemented. In addition, as of April 2005, the head of the TSC Data Management Office has been assigned full time to Secure Flight-specific issues. The TSC CIO expressed concern that, as a result, the watch list data was not being checked sufficiently for accuracy and that available and necessary security measures had not been implemented.

The compressed time frame of our review did not allow us to perform additional testing on the TSDB records. However, while conducting our fieldwork at the TSC, we were informed of a recent incident in which a participating agency combined two separate records and forwarded the data to the TSC as a single record for inclusion in the TSDB. As a result, the TSDB record included erroneous identifying information and an individual was falsely identified as a positive match against the watch list. The TSC redress staff informed us that the TSC had identified the error, provided the originating agency with its findings, and confirmed that the source record was corrected.

In addition, officials at the TSC informed us that the volume of issues handled through the quality assurance process is increasing. To manage this increased workload, the TSC has increased manpower by hiring new permanent employees and temporary duty staff. Even with these enhancements, TSC officials expressed concern regarding their ability to

manage the quality assurance process because the volume of inquiries will greatly increase once the TSA Secure Flight program is implemented. According to TSC officials, their Quality Assurance staff requested an enhancement to the EMA system that would automate the tracking and management of the quality assurance process. However, the development of the requested enhancement has been delayed because the IT staff has been dedicated to Secure Flight issues.

CHAPTER 3: OIG Conclusions and Recommendations

Upon full implementation, the Secure Flight program will be the first time the government will routinely screen all domestic air travelers. As a result, information about millions of domestic travelers will be collected and compared to the consolidated watch list of terrorist information. This process will require high standards of data accuracy and information safeguards.

The TSC has a significant role in Secure Flight, including helping in the development of the overall process flow for the program, assisting in the design of the information system architecture, establishing the roles of key stakeholders, and ensuring that the new screening process allows for an appropriate law enforcement response to encounters with known or suspected terrorists. However, the implementation of the Secure Flight program at both the TSA and the TSC has been hindered by project delays and uncertainty about project scope, logistics, and the resources needed to support the program's mission.

The TSA has repeatedly adjusted the implementation date for Secure Flight, first from April 2005 to August 2005, and most recently to September 2005. Moreover, the TSA does not currently have a definitive plan for the number of airlines and related passenger records that will be included in the various phases of program implementation. The TSA's shifting of program scope and critical milestones has also affected the TSC's ability to adequately plan for fulfilling its role in the Secure Flight program. In addition, although the TSA and TSC describe its current relationship as "a positive partnership," they have had to overcome communication and coordination obstacles, including organizational changes at the TSA and the TSA's initial development and testing of program requirements without the involvement of the TSC.

In our review of the TSC's plans for implementing its Secure Flight responsibilities, we determined that most of its efforts are on track to meet a projected launch date of September 2005. Specifically, the TSC has designed its necessary electronic connections to accommodate data flow, developed new processes to facilitate law enforcement response to encounters with individuals who are a match against the consolidated terrorist watch list, and is on schedule for testing its newly established systems and procedures.

However, the TSC has not tracked its costs that are directly in support of the Secure Flight program and did not have a Secure Flight-specific spending plan. Therefore, the TSC cannot accurately estimate the added

costs for the Secure Flight initiative. The TSC's difficulty in developing such an estimate is further exacerbated by the TSA's failure to specifically define the scope of each implementation phase. As a result, the TSC has been unable to adequately project its resource requirements for responding to the expected increase in workload resulting from Secure Flight.

Although we are unable to specifically quantify the TSC's financial needs, we believe that the TSC needs enhancement of its current base funding to accomplish its mission-critical functions. According to the TSC, it has been forced to delay the implementation of security measures, database enhancements, and quality control improvements to provide support for the launch of Secure Flight. TSC officials informed us that such delays will impact the accuracy, completeness, thoroughness, and security of the consolidated watch list information.

In sum, the TSC has faced difficulties in trying to support a program that has several critical undefined parameters. The TSC has little certainty of the start date of Secure Flight, the volume of inquiries expected and the resulting number of resources required to respond, the quality of data it will need to analyze, and the specific details of the phased-in approach for taking the program from "pre-operational testing" in September 2005 to full operational capability in FY 2007.

To help the TSC more accurately identify its funding requirements and handle its responsibilities under the Secure Flight Program, we provide five recommendations for the TSC.

Recommendations

We recommend that the TSC:

1. Work closer with the FBI budget staff or develop an in-house capacity to formulate, execute, and track a TSC budget that captures cost information by program and accounts for the total fiscal requirements of the organization;
2. Re-examine and regularly update the agency's resource estimates as soon as the Secure Flight program is implemented and true workload figures are established;
3. Coordinate with the TSA to adopt the Terrorist Watchlist Person Data Exchange Standard protocols for data exchange;

REDACTED FOR PUBLIC RELEASE

4. Develop an aggressive schedule for the completion of the record-by-record review of the TSDB and encourage participating agencies to improve the quality of all watch list source records to improve overall data accuracy, completeness, and thoroughness; and
5. Implement, in priority order and as appropriate, the projects that are currently on hold while planning for Secure Flight because these projects have significant implications for data integrity, security, and system efficiency.

AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY

Audit Objective

The objective of our review was to evaluate the TSC's plan to support the Secure Flight program, as requested by the House Appropriations Committee in House Report 109-072.

Scope and Methodology

We performed our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included such reviews of records and procedures that we considered necessary. Our audit covered, but was not limited to, activities during the period beginning with the announcement of the Secure Flight program in August 2004 through July 2005. The scope of our review did not include reviewing the TSC's overall compliance with laws and regulations or its internal control structure.

To accomplish our objectives, we conducted work primarily at the TSC (located in the Washington, D.C., metropolitan area) and interviewed contractors and representatives from various participating TSC departments working within the Operations Branch, Information Technology Branch, Administration Branch, the Terrorist Screening Tactical Operations Center or TSTOC (previously referred to as the Call Center), Nominations Unit, and other support areas. Additionally, we met with officials at the TSA responsible for the Secure Flight program and at the Department of Homeland Security Office of Policy and Redress. We also interviewed FBI officials at FBI Headquarters who previously worked in the Budget Formulation and Presentation Unit.

We gained a working knowledge of the TSC's operations during our recent audit of the TSC (for which our audit report was issued in June 2005). During that audit we interviewed additional officials from a variety of agencies, including the National Counterterrorism Center, the FBI Criminal Justice Information Services Division, and the FBI Terrorist Screening Operations Unit (formerly the FBI Counterterrorism Watch).

Additionally, we reviewed legislative material regarding the history of Secure Flight, program requirements, privacy and testing publications, and memoranda, correspondence, electronic communications, and minutes of meetings related to the TSC's support of Secure Flight. We also reviewed and collected financial documents, planning documents, workload data, position descriptions, prior audit reports, and

congressional testimony. In addition, we attended numerous Secure Flight meetings at the TSC that were attended by key individuals from the TSA, FBI/TSOU, and the TSC.

ACRONYMS USED THROUGHOUT THE REPORT

ACS	Automated Case Support
CIO	Chief Information Officer
CAPPS	Computer-Assisted Passenger Prescreening System
DHS	Department of Homeland Security
EMA	Encounter Management Application
FAMS	Federal Air Marshal Service
FBI	Federal Bureau of Investigation
FY	Fiscal Year
GAO	Government Accountability Office
ICD	Interface Control Document
IT	Information Technology
MOU	Memorandum of Understanding
NCIC	National Crime Information Center
NCTC	National Counterterrorism Center
NORAD	North American Aerospace Defense Command
OIG	Office of the Inspector General
OSIS	Open Source Information System
OTVC	Office of Transportation Vetting and Credentialing
PIA	Privacy Impact Assessment
RFA	Request for Action
SORN	System of Records Notice
TIDE	Terrorist Identities Datamart Environment
TSA	Transportation Security Administration
TSC	Terrorist Screening Center

TSDB	Terrorist Screening Database
TSOU	Terrorist Screening Operations Unit
TWPDES	Terrorist Watchlist Person Data Exchange Standard
VGTOF	Violent Gang and Terrorist Organizations File

FEDERAL BUREAU OF INVESTIGATION RESPONSE



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D. C. 20535-0001

July 27, 2005

Ms. Carol Taraszka
Regional Audit Manager
Office of the Inspector General
Chicago Regional Audit Office
U.S. Department of Justice
Suite 3510A
500 W. Madison Street
Chicago, Illinois 60661

Dear Ms. Taraszka:

Re: RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S
REVIEW OF THE TERRORIST SCREENING CENTER'S (TSC)
EFFORTS TO SUPPORT THE SECURE FLIGHT PROGRAM

The Federal Bureau of Investigation has prepared the appropriate response to the Department of Justice Office of the Inspector General's review of the Terrorist Screening Center's efforts to support the Secure Flight program. The response (Enclosure 1) has undergone a sensitivity review (Enclosure 2) and is marked accordingly. A classification review of the document is pending, however.

Please contact Robin Dinerman of the FBI Inspection Division staff should you have any questions. Ms. Dinerman may be reached on (202) 324-6389.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D A Bucella", is written over the typed name.

Donna A. Bucella
Director
Terrorist Screening Center

Enclosures (2)

REVIEW OF THE TERRORIST SCREENING CENTER'S EFFORTS TO SUPPORT THE SECURE FLIGHT PROGRAM

Terrorist Screening Center Response

The United States (US) Department of Justice (DOJ) Office of the Inspector General (OIG) conducted a review of the Terrorist Screening Center (TSC) efforts to support the Transportation Security Administration's Secure Flight Program from April of 2005 through July of 2005. This review was called for in the "Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005." The purpose of that review was to evaluate the TSC's plan to support the Secure Flight program and to report the findings to the House and Senate Appropriations Committees by August 1, 2005.

On July 26, 2005, the TSC received the DOJ/OIG draft report. The response by the TSC was due to the DOJ/OIG by the close of business July 27, 2005.

Executive Summary

The TSC was established September 16, 2003, and became operational on December 1, 2003. Since its inception, the TSC has become one of the most unique, innovative and forward thinking operations in the United States Government's (USG's) counterterrorism arsenal. Never before has the USG maintained a centralized list of all known or suspected terrorists that is available to federal, state, local, tribal and territorial law enforcement agencies, as well as a growing list of foreign governments for the purpose of twenty four hours a day, seven days a week terrorism screening. For the first time in US history, terrorist watchlist information is shared in a multi-agency environment that also connects the intelligence community to a vast network of state and local law enforcement officers. The TSC's novel approach to terrorism screening facilitates assistance to agencies at the front lines of terrorism screening, protection of the American public from terrorist attack, increasing the safety of the American people as well as the law enforcement officers who serve them. The TSC is a new concept and is a living and growing environment that is constantly evolving to meet emerging threats and requirements within the framework of its governing documents, Homeland Security Presidential Directive (HSPD) - 6, the Memorandum of Understanding (MOU), and Addendum A. Moreover, the watchlisting process is a new initiative that is Government-wide. Each agency has the responsibility to provide accurate information when nominating a name for the watchlist. Because this government wide system was never in existence, the quality of data provided for watchlists varies from agency to agency. However, as the process matures there will be greater consistency in the quality of data passed.

A central mandate to the TSC mission is to consolidate the Government's approach to terrorism screening. A significant area of terrorism screening that has gone unaddressed is the screening of domestic air passengers against the consolidated terrorist watchlist known as the Terrorist Screening Database (TSDB) maintained by the TSC. To close this gap in terrorism screening, the Transportation Security Administration (TSA) announced the establishment of the

Secure Flight program in August of 2004 with a view to conduct passenger prescreening against the

TSC's TSDB in 2005. For this program to be successful, the TSC, in accordance with HSPD-6, must provide direct support to the TSA and its Secure Flight program. However, for the TSC to provide appropriate support, close coordination between the two agencies is necessary, and TSA is responsible for providing its program requirements.

In August 2004, when the Secure Flight program was announced, TSC immediately began to make budget plans based on information that TSA provided regarding their information technology, operational and administrative requirements related to Secure Flight. Secure Flight was only one of several new initiatives the TSC had to support; however, because of the volume of passengers flying on domestic flights, it will have a dramatic impact on TSC's operations.

The TSC prepared for the new initiatives by establishing an information technology infrastructure, personnel base, and long range planning processes. The Secure Flight program came while TSC was still a fledgling organization, and had no regular, routine, or predictable workload. In order to be able to accurately predict the Secure Flight workload, TSA was unable to provide to the TSC specific estimates such as volume of calls, volume of passengers traveling, information systems architecture, scope of projects, logistics and other resources. However, even without this information, the TSC continued to prepare for Secure Flight based on conservative estimates of these data elements. Due to the uniqueness of the TSC's inter-governmental participation, the TSC leveraged its capabilities across programs and activities. It used any available resource from any of the participating HSPD-6 partners to include personnel, licenses, databases, hardware, software and other materials. The TSC has also taken great care to leverage every conceivable opportunity available through its partners to increase resources, efficiency and effectiveness, particularly in those areas where the TSC's own budget or allocated personnel are not sufficient to address mission requirements.

TSC concurs with DOJ/OIG's assessment that the TSC "needs enhancement" of current base funding to accomplish its critical mission functions.

With this as a short summary background, the TSC offers the following in response to the DOJ-OIG preliminary draft review of the TSC's plans to support the TSA's Secure Flight program:

Recommendation #1:

Work closer with the FBI budget staff or develop an in-house capacity to formulate and execute a TSC budget that captures cost information by project and tracks the total fiscal requirements of the organization.

Response:

The TSC agrees with this recommendation and acknowledges the need to work with the FBI's Finance Division to build the TSC in-house financial personnel capacity.

The TSC was created in an out of cycle budget environment. As a result, the TSC did not have the opportunity to participate in the budget process initially, nor did it have the background to give a true estimate of normal operating requirements (also known as base lining). Funding for the first fiscal year (FY) was reallocated to the Federal Bureau of Investigation (FBI) in support of the TSC from participating agencies' FY 2004 budgets. No personnel were granted to the TSC through the budget process to stand up or operate it. Because the budget formulation process leads the execution phase of the budget process by two and one half years, the TSC did not have sufficient input into a budget until January of 2005.

However, the TSC has been diligent in its fiscal responsibility to ensure expenditures create a maximum value to cover the array of projects requiring support and implementation since its inception. In support of this effort, the TSC established a Project Management Office (PMO) and supporting processes to develop project management and financial budget/accounting tools for the purpose of projecting and tracking actual expenses. This system allowed TSC to identify the development costs of the infrastructure that would be required to support TSC's maturation and identified initiatives. Due to the approach used by the TSC to develop its infrastructure to support multiple programs, many of the projects tracked also contribute to building the infrastructure that supports all of these programs, to include Secure Flight. Therefore, each project generally supports multiple programs. This approach was taken because the TSC had not received any funding related to specific programs. The supplemental funds, while subject to DOJ/OIG review, were not solely limited to the Secure Flight program.

The TSC was asked by the DOJ/OIG to provide specific dollar amounts associated with the costs of preparing for Secure Flight. The TSC provided that information based on its current methodology. Due to the fact that it did not have the TSA's requirements, the TSC made conservative estimates because there was no historic baseline for Secure Flight. When the baseline for Secure Flight is established, in conjunction with all other programs the TSC is supporting, the TSC will be able to implement an effective cost accounting system for the Secure Flight program that will not only provide actual direct and indirect costs, but also allow for more accurate estimates of future costs. In addition, the TSC's "improvements to its operations and information technology environment," are not specifically to address Secure Flight but also to address the other TSC supported programs.

Recommendation #2:

Re-examine and regularly update the agency's resource estimates as soon as the Secure Flight Program is implemented and true work-load figures are established.

Response:

The TSC agrees with this recommendation and will continue to coordinate these efforts with TSA to ensure the most accurate and current data is available.

The TSC developed workload projection estimates for initial resource requirements to support the Initial Operating Capability (IOC) of Secure Flight. These estimates have focused on frontline call center personnel, supervision, and support. The estimate used for staffing is conservative, having used the low end volume estimate for actual hiring. TSC also has a plan to respond to a significantly increased volume of work associated with Secure Flight should that be required. Surge capability will be achieved with TDY's until a true baseline of volume can be determined. Systems will be in place to collect workload volume information, and the length of time required to work a Request for Action (RFA) will be monitored and analyzed. As the history is accumulated and trended by the day of the week and hour of the day, the TSC will develop a baseline for call center staffing and adjust appropriately. As soon as an air carrier rollout plan is developed by TSA, the TSC will plan to calculate revised resource estimates as there is an increase in carriers and volume. TSC will look to minimize additional costs as the program grows by implementing cross utilization with other TSC products and services. Initial training costs have been planned, and as growth is experienced TSC will continuously revise classroom training and on the job training costs.

With respect to IT, the development of baseline data will provide the needed information to make any adjustments to communications, hardware, and software requirements accurately. A number of enhancements to Secure Flight are already planned for 2006 development that will improve efficiency of the TSC Secure Flight process. As experience with the system develops, other best practices and modifications will be identified, and TSC will develop and implement improvements. Also, TSA and TSC have previously agreed to Quarterly Reviews of the Concept of Operations and Interface Control Documents as part of a structured review after standing up the Secure Flight program. This approach will also assist in the TSC financial methodology.

As a result of these operational and information technology evaluations taken from the Secure Flight baseline, the TSC will recalculate financial costs of Secure Flight not only on an immediate basis, but on a quarterly basis thereafter. This approach is already built into the TSC financial methodology.

Recommendation #3:

Coordinate with the TSA to adopt the Terrorist Watch Person Data Exchange Standard protocols for data exchange.

Response:

The TSC agrees with this recommendation and has plans to implement this recommendation in the future.

The TSC notes that the TSC is using the Terrorist Watch Person Data Exchange Standard protocols, but that the TSA is not presently equipped to use this standard. However, once Secure Flight operational testing provides realistic figures on data quantities and processing times, TSC will work with TSA to bring their present simplified initial data exchange protocol into conformance with the national standard used by TSC elsewhere.

Recommendation #4:

Develop an aggressive schedule for the completion of the record-by-record review of the TSDB and encourage participating agencies to improve overall data accuracy, completeness, and thoroughness.

Response:

The TSC agrees with this recommendation and has previously developed this schedule and methodology. The TSC will endeavor to expedite this review based on its current staffing.

On April 1, 2005, the TSC's Data Integrity Unit implemented a comprehensive record-by-record quality assurance (QA) review of the entire TSDB and will continue this effort. The TSC has identified priority records that will be reviewed first, since they have surfaced continually in ongoing QA projects. Some of these records were initiated from both the FBI and the National Counter Terrorism Center (NCTC). The NCTC is also conducting a record by record review. As previously mentioned, the watchlisting process is a new initiative that is Government-wide. Each agency has the responsibility to provide accurate information when nominating a name for the watch-list. Because this government wide system was never in existence, the quality of data provided for watch-lists varies from agency to agency. However, as the process matures there will be greater consistency in the quality of data passed.

Recommendation #5:

Prioritize and implement projects that are currently on-hold while planning for Secure Flight because these projects have significant implications on data integrity, security, and system efficiency.

Response:

The TSC agrees with this recommendation and takes continuous action in this area.

The TSC has been using a project management tool to track its priorities of all TSC projects and will expand the use of this tool. From December 1, 2003, the TSC has had to continuously and aggressively reprioritize its projects based on emerging requirements, current events, and limited funding. This approach will continue to be used in the future.

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE REPORT**

We provided a draft audit report to the FBI and the TSC for review and comment. The TSC's response is incorporated as Appendix III of this report. Although the cover letter to the response notes that FBI review for classification issues was pending, we subsequently received written confirmation that the report does not contain any classified information.

The TSC concurred with the five recommendations we made in the audit. Our analysis of the TSC's response to each recommendation is provided below.

Recommendation Number:

- 1. Resolved.** The TSC stated that it agreed with our recommendation to work closer with the FBI budget staff or develop an in-house capacity to formulate, execute, and track a TSC budget that captures cost information by program and accounts for the total fiscal requirements of the organization. In its response, the TSC stated that it needs to work with the FBI's Finance Division to build the TSC's personnel capacity for conducting budget and financial tasks. According to the TSC, its ability to estimate its Secure Flight costs has been significantly hampered by the lack of information from the TSA related to the detailed requirements of the Secure Flight program. The TSC believes that once Secure Flight is launched and a baseline for the program can be established, the TSC will be able to implement an effective cost accounting system for the Secure Flight program that will not only provide actual direct and indirect costs, but also allow for more accurate estimates of future costs.

This recommendation can be closed when we receive evidence that the TSC has established and implemented an effective cost accounting system. However, the TSC needs to enhance its financial personnel capacity in order to develop such a system. In addition, specific and accurate Secure Flight cost projections are dependent upon the availability of valid Secure Flight operational data. In the interim, please keep us regularly informed of your progress in implementing the new accounting system and building the in-house capacity to operate and manage the new system to formulate accurate and reliable financial data.

2. **Resolved.** In its response, the TSC stated that it will continue to coordinate with the TSA to ensure that the most current and accurate Secure Flight data is available. According to the TSC, it plans to develop baseline figures for Secure Flight and use that baseline to calculate revised resource estimates as Secure Flight is implemented and screening volume in the TSC's call center increases. In addition, the TSC said it intends to continually evaluate the technological needs of the Secure Flight program and the need for additional enhancements to its IT systems or modifications to the underlying agreements between the TSC and the TSA. The TSC said it will use these operational and IT evaluations to recalculate the overall financial costs of Secure Flight on a quarterly basis.

To close the recommendation, please provide us with the Secure Flight baseline data and evidence of the quarterly reviews of the program costs, needs, and agreements.

3. **Resolved.** The TSC stated that it agreed with our recommendation to adopt the Terrorist Watchlist Person Data Exchange Standard (TWPDES) protocol, but noted that the TSA is not presently equipped to use the standard. According to the TSC, once Secure Flight operations have begun and reliable data on the screening volume and processing times are available, the TSC plans to work with the TSA to bring the data exchange into conformance with the TWPDES. To close this recommendation, please provide evidence that the TWPDES has been successfully adopted and the standard is adhered to in the transfer of TSDB data to the TSA.

4. **Resolved.** In its response, the TSC stated that it agreed with our recommendation and will expedite the record-by-record review of the TSDB. The TSC also noted that the quality of watch list records is heavily dependent upon the quality of information provided by the nominating agencies and that this quality is expected to improve as the terrorist watch-listing and screening processes mature. According to the TSC, the National Counterterrorism Center, a primary source of terrorist records, is also conducting a record-by-record review of its watch list records.

To close this recommendation, please provide evidence of your attempts to expedite the TSC's record-by-record review of the TSDB. The TSC should establish aggressive milestones for the successful completion of the project and track its progress against these

milestones. In addition, please provide documentation to support your interaction with participating agencies related to improving the overall accuracy, completeness, and thoroughness of terrorist watch list data.

5. **Resolved.** The TSC stated that it agreed with our recommendation and is taking continuous action to reprioritize its projects. According to the TSC, it has been using project management software to track its varied projects and intends to expand the use of this tool. This recommendation can be closed when we receive evidence that the TSC has developed a plan for implementing, in priority order, the projects that had been placed on hold due to Secure Flight.